

**CITY OF YORK COUNCIL
INTERNAL AUDIT PLAN 2019/20**





City of York Council's Internal Audit and Counter Fraud Service

Annual Internal Audit Plan 2019/20

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1. INTRODUCTION

- 1.1 This plan sets out the proposed 2019/20 programme of work for the internal audit service provided by Veritau for the City of York Council.
- 1.2 In accordance with proper practice¹, internal audit is required to prepare an indicative annual audit plan. The plan is based on a risk assessment model that is maintained by internal audit. The council's own risk management systems are also considered in forming a view on what audits to undertake. The audit plan is a working document, and changes are made throughout the year to reflect changes in risk and any issues that arise.
- 1.3 The content of the audit plan is subject to consultation with directors and other senior council officers, and is formally approved by the Audit and Governance Committee. Changes to the plan are agreed through the council's client management arrangements and are notified to the committee. Proposed audit work is also discussed with the council's external auditors, to ensure that there is no duplication of effort. Further details about the approach to audit planning can be found in the Audit Charter.

2. 2019/20 AUDIT PLAN

- 2.1 The council continues to face significant budgetary pressures, increasing demand for services and a number of other challenges. To reflect this, the 2019/20 planning process has continued the approach adopted over the last few years, by targeting higher risk systems in areas including those:
 - where the volume and value of transactions processed are significant, or the impact if risks materialise is very high, making the continued operation of regular controls essential
 - areas of known concern, where a review of risks and controls will add value to operations

¹ Proper practice is set out in the Public Sector Internal Audit Standards and specific guidance on these standards for local government, issued by Cipfa.



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- areas of significant change. This may include providing direct support / challenge to projects, reviewing project management arrangements, or consideration of the impact of those changes on the control environment for example where the reduction in resources may result in fewer controls.
- 2.2 Internal Audit resources are limited and the audit plan is intended to ensure the available resources are prioritised towards those systems which are considered to be the most risky and/or which contribute the most to the achievement of the council's priorities and objectives.
- 2.3 Details of the 2019/20 plan are set out in sections 3 – 6 below.



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3. CORPORATE & CROSS CUTTING AUDITS

Days

25

Absence Management

A review of absence management procedures, focussing on use of the new ITrent module.

Annual Governance Statement & Governance Support

Advice and support on corporate governance matters and support in preparing the council's annual governance statement.

5

Assurance Mapping

A review of other sources of assurance to ensure that duplication of work is minimised and audit resources are used effectively. This was a specific recommendation from Veritau's external PSIAS assessment.

10

Corporate Complaints

A review of corporate complaints processes focusing on compliance with corporate procedures and standards.

15

Data Quality

An audit of systems for capturing key performance data, to ensure information used for management of the organisation is robust. The audit will focus on CCS or E&P following previous audits of data in HHASC and CEC.

15

Financial Resilience

A review of the council's medium term financial planning and strategies. This follows previous audits on budget savings plans and budget management processes.

25

Health and Safety

A review of council arrangements for managing health and safety. The specific areas to be covered will be determined in consultation with officers.

20



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Home working	20
A review of council arrangements for managing risks in relation to home working. This will include a review of issues including staff welfare and health and safety, and engagement.	
Information Security Sweeps	5
An allocation of time for information security reviews. This will include unannounced audit visits to council offices to ascertain the extent to which sensitive and personal data and information assets are protected.	
Insurance	10
A review of the council's procedures for dealing with insurance claims. This will build on initial work carried out in 2018/19.	
IT audit	60
Details of IT audit work are currently being discussed with officers. The final list of areas is likely to include Licence Management, Change Management and Server administration and security; and one of the following areas: Communications Security; Mobile Device Utilisation; App/URL Management.	
NHS Information Governance Toolkit	10
A review of the council's data before its annual submission.	
Procurement and Contract Management	50
This will encompass a number of separate audits which may include reviews of specific procurement exercises and contract related issues.	
Project Management	20
An allocation of time for the review of project risk management. A number of other specific project audits are included elsewhere in the plan.	
Records Management	20
A review of the council's record management processes.	



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Transparency

15

The audit will seek to understand the council's aims and objectives for providing open access to information and data and review the arrangements in place to deliver those objectives.

TOTAL – Corporate & Cross Cutting Audits

325



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4. MAIN FINANCIAL SYSTEMS

Days

Council Tax & NNDR

25

A review of the systems for calculating Council Tax and NNDR liabilities, and the collection, recording and processing of payments.

Council Tax Support and Housing Benefits

25

A review of the arrangements for paying Housing Benefits and for administering the council tax support scheme.

Debtors

20

A review of the systems for raising debtor invoices and collecting income, credit control, and debt recovery arrangements.

Main Accounting System

25

A review of the arrangements for managing and maintaining the financial ledger.

Ordering and Creditor Payments

30

A review of the systems for ordering goods and services and processing creditor invoices. This will include an allocation of time for periodic data matching (e.g. for duplicate invoices).

Payroll

25

A review of payroll controls and processing

TOTAL – Main Financial Systems

150



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5. DIRECTORATE AUDITS

Days

Children, Education and Communities (CEC)

Adoption Services

25

This may include review of the governance of the new regional adoption partnership, as well as inter-agency fees and the administration of Special Guardianship Orders.

Agency Staff

15

A review of the systems and controls in relation to the use of agency staff and consultants within the directorate, which represents a significant portion of the annual budget.

Home to School Transport

25

An audit of the systems in place to provide transport to schools and special educational needs establishments.

Joint Targeted Area Inspection Action Plan

15

An action plan was agreed following a multi-agency inspection in September 2018. This will review the progress made against the agreed actions.

Schools

50

A number of themed audits across schools including a review of schools procurement and financial processes. Visits to individual schools may also be undertaken.

Schools Funding

25

An audit of the systems in place to allocate funding to schools.



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Economy and Place (EP)

Cash Handling

10

The review will assess the extent of remaining cash handling arrangements within E&P, the robustness of procedures, and progress in moving to electronic payment methods.

Environmental Health

25

A review of key controls and risks within environmental health. The scope will be agreed with officers during the audit year and may include inspection standards in relation to food hygiene as well as the value for money of the out of hours service

Household Waste

25

A review of the systems and processes in place to transport and recycle household waste. This will include providing assurance that all waste is accurately accounted for.

Smart Travel Evolution Programme (STEP)

15

A review of the governance and delivery of objectives of this project which intends to monitor and enable analysis of real-time journey information to improve travel in York.

Taxi Licensing (follow-up)

10

A follow-up of the audit carried out in 2017/18 to ensure that all actions have been implemented including DBS checks.

York Central

20

A review of the governance and risk management of this significant council project. This will include relationships with external partners.



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Health, Housing and Adult Social Care (HHASC)

ASC Budget Management	25
An allocation of time to review budget management within Adult Social Care. This will build on the 2018/19 work and may focus on specific areas including high cost placements, internal provision and operating model, and market management.	
Homelessness	20
A review of arrangements for preventing and tackling homelessness. This will include reviewing the council's compliance with the enhanced requirements of the Homeless Reduction Act 2017.	
Housing Delivery	20
A review of the council's Housing Delivery Programme. This could include a review of overall strategy and governance or specific review of project management / delivery arrangements.	
Older People's Accommodation	15
A review of the arrangements for delivering older people's accommodation programme. This will include risk management arrangements.	
Housing Rents	25
Reviews of the systems to collect, record, reconcile and monitor housing rents. The audit will also examine the arrangements for dealing with arrears, which are an increasing risk.	
Safeguarding	20
A review of controls and governance arrangements in place to manage the key risks relating to adult safeguarding.	
Building Services – Materials	15
A review of the arrangements for managing the purchasing and use of materials for building services. Possibly to include the managed stores contract arrangements, van stocks and management controls over use of materials.	
Social Care Financial Assessments	15
A review of the effectiveness of key controls in place for undertaking financial assessments for social care service users. The adequacy of the measures to identify and report fraud will also be examined.	



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Public Health	25
A review of key risks in relation to Public Health. The scope of the work will be agreed with officers during the year but is likely to focus on follow up of arrangements introduced in previous years and any relevant issues arising from the peer review taking place in March 2019.	
Integrated Care Partnerships	10
A review of arrangements for entering into and developing integrated care partnerships. The focus is likely to be on overall governance arrangements for the partnerships.	
TOTAL – Directorate Audits	450



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6. OTHER CHARGEABLE WORK

	<u>Days</u>
Audit and Governance Committee	35
Provision to prepare reports for the Audit and Governance Committee, attend meetings and provide additional advice and support in relation to audit findings. This will also include an allocation of time to support review of the effectiveness of the committee.	
Audit Planning	13
Preparation and monitoring of audit plans.	
Contingency Assignments	20
Provision to undertake additional work in response to:	
<ul style="list-style-type: none">• specific requests from the Director of Customer and Corporate Services (the S151 Officer) or the Audit and Governance Committee.• new or previously unidentified risks which impact on audit plan priorities• significant changes in legislation, systems or service delivery arrangements• requests from customers to audit specific services, systems or activities usually as a result of weaknesses in controls or processes being identified by management• urgent or otherwise unplanned work arising from fraud investigations which identify potential control risks.	
Data Analysis	10
An allocation of time for the development of data analysis techniques and specific data matching exercises, to enhance the delivery of planned audit work.	
External Audit Liaison	5
Provision for regular liaison and information sharing with Mazars.	



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Follow Up Audits	50
Provision to follow up previously agreed audit actions.	
Freedom of Information Act Requests	10
An allocation of time to provide responses to requests received by the council and to answer queries about audit work from councillors and the public.	
Support, Advice & Liaison	25
Provision to provide ongoing advice and support on the design, implementation and operation of appropriate controls and for the overall management of audit work in each department.	
TOTAL – Other Audit Work	168
TOTAL DAYS 2019/20	1,093